

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 2196
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which
was referred S.B. No. 2196, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to facilitate alternative
energy research and production in the State by:

- (1) Re-establishing the Energy Systems Development Special Fund;
- (2) Allocating a portion of revenues collected from the Environmental Response, Energy, and Food Security Tax for deposit into the Energy Systems Development Special Fund; and
- (3) Changing the amount of allocations of revenues from the foregoing tax to other special funds and extending authorization for these funds to use this tax as a funding source to June 30, 2030.

The Department of Agriculture; Department of Health; Hawaii Natural Energy Institute at the University of Hawaii; Hawaii Energy Policy Forum; Hawaii Automobile Dealers Association; Hawaii Center for Advanced Transportation Technologies; Nature Conservancy; Ulupono Initiative; Americans for Democratic Action;

SB2196 HD1 HSCR EEP HMS 2014-2647-1



Hawaii Green Growth; Renewable Energy Action Coalition of Hawaii; and BluePlanet Foundation testified in support of this measure. The Chamber of Commerce Hawaii and a concerned individual testified in opposition to this measure. The Department of Budget and Finance; Department of Taxation; Public Utilities Commission; Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Amending the purpose of the Hydrogen Investment Capital Special Fund to be for the development of hydrogen production, storage, and dispensing infrastructure;
- (2) Directing the Director of Finance to make a one-time deposit of a portion of the revenues collected from the Environmental Response, Energy, and Food Security Tax into the Hydrogen Investment Capital Special Fund but leaving the deposit amount unspecified to facilitate further discussion as this measure proceeds forward in the legislative process; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2196, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2196, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSR 1179-14

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: SB 196, SDA	Committee Referral: EEP, FIN	Date: 3/13/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	X			
2. THIELEN, Cynthia (VC)	X			
3. CULLEN, Ty J.K.	X			
4. EVANS, Cindy	X			
5. HANO HANO, Faye P.			X	
6. KAWAKAMI, Derek S.K.	X			
7. SAY, Calvin K.Y.			X	
8. NISHIMOTO, Scott Y.	X			
9. LOWEN, Nicole E.	X			
10. FALE, Richard Lee			X	
TOTAL (10)	7		3	
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Cynthia Thielen</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				